

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

JEFFERSON COUNTY

JEFFERSON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
03/16/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sandra J. Shelton	01-01-03 to 12-31-10
Treasurer	Betty J. Brawner	01-01-05 to 12-31-08
Clerk	Martha Jane Shimfessel Kim Smith	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Sheriff	Charles W. Andrews	01-01-03 to 12-31-10
Recorder	Mary Francis O'Conner	01-01-05 to 12-31-08
President of the Board of County Commissioners	Michael Frazier Julie Berry	01-01-05 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Jacob Kloefer David J. Craig	01-01-05 to 12-31-05 01-01-06 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of Jefferson County (County), for the period of January 1, 2005 to December 31, 2005. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 12, 2007

JEFFERSON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 616,787	\$ 5,694,751	\$ 5,544,289	\$ 767,249
County Highway	1,036,325	3,470,780	3,254,217	1,252,888
County Health	331,932	644,892	644,307	332,517
Local Road and Street	228,851	316,542	296,960	248,433
Property Reassessment	120,108	-	120,108	-
Accident Reports	4,574	2,801	5,023	2,352
Firearms Training	4,450	2,210	2,031	4,629
Election and Registration	71,089	109,248	42,618	137,719
Surveyor's Corner Perpetuation	22,511	7,725	5,838	24,398
Supplemental Adult Probation Services	133,507	108,664	49,817	192,354
Supplemental Juvenile Probation Services	8,596	15,796	23,063	1,329
Recorder's Records Perpetuation	129,521	40,206	21,052	148,675
Local Health Maintenance	56,238	25,561	31,399	50,400
Sheriff's Commissary	34,498	41,823	20,186	56,135
Animal Shelter	28,410	22,322	46,733	3,999
Prosecutor IV-D	5,055	15,735	1,860	18,930
Federal Project Highway	107,356	2,117	-	109,473
Pretrial Diversion	10,590	14,367	15,065	9,892
Supplemental Public Defender	17,125	21,984	33,640	5,469
Elizabeth Rhodes Donation	5,822	-	-	5,822
Cemetery Board	24,655	7,534	15,720	16,469
Solid Waste Management Grant	27,197	-	23,970	3,227
Junvenile All Weekend Supervision	122	-	-	122
Local Emergency Planning and Right to Know	8,198	25,772	10,673	23,297
County Drug Fee Community	54,079	45,850	44,875	55,054
Emergency Telephone System	401,604	299,932	546,994	154,542
Jefferson County Wireless Emergency Telephone	-	267,518	75,708	191,810
Guardian At Litem	21,864	2	332	21,534
Plat Book Maintenance	3,360	573	-	3,933
Jury Pay	32,283	4,067	-	36,350
County Prisoner Reimbursement	2,400	-	-	2,400
Victim Assistance	6,254	-	2,050	4,204
County Family and Children	1,309,221	1,914,056	2,727,014	496,263
Deferral Program	2,998	-	-	2,998
Child Advocacy	50	-	-	50
Fatherhood Initiative	(4,353)	7,947	3,594	-
Sheriff's Reserve Unit	5,025	334	1,718	3,641
New Reassessment	237,169	265,277	130,614	371,832
JABIG Out of School Grant	12,969	36,500	47,287	2,182
Seized and Forfeited Property	4,038	-	-	4,038
Woman, Infants and Children	(9,400)	105,945	98,270	(1,725)
Riverboat MIDCOR	3,909	61,269	59,773	5,405
Riverboat Historic Preservation	170,220	61,269	60,400	171,089
Riverboat	527,180	1,502,397	1,655,000	374,577
Community Transportation Program	1,518	-	2,002	(484)
Law Enforcement Federal Forfeiture	1,611	-	-	1,611
Clerk's Record Perpetuation	9,520	9,720	7,271	11,969
County Misdemeanant	72,839	21,601	13,630	80,810
Riverboat Wagering Revenue Sharing	72,766	199,924	205,034	67,656
Probation Administrative Fee	2,565	-	-	2,565
Andres Memorial Animal Shelter	1,540	41	53	1,528
Jefferson County Animal Shelter	5,738	362	217	5,883
Cumulative Bridge	1,770,762	1,471,597	1,320,435	1,921,924
Cumulative Capital Development	1,048,381	1,285,276	1,111,446	1,222,211
Cumulative Voting Machine	131,777	483,609	178,102	437,284
Cumulative Courthouse	1,775,170	1,625,213	1,247,656	2,152,727

The accompanying notes are an integral part of the schedules.

JEFFERSON COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005
(Continued)

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds (continued):				
Cumulative Jail	296,059	327,745	504,380	119,424
Levy Excess	192,322	253,856	446,178	-
Cemetery Board Donations	3,000	9,126	350	11,776
Section 101 Voting Machines	175,251	-	175,251	-
Election Reform Payments	141,400	4,000	145,400	-
SEMA Homeland Security	7,459	25,000	31,678	781
Cornerstone Society	1,402	-	-	1,402
Children's Psychiatric Residential Treatment	116,447	128,084	109,144	135,387
Alcohol and Drug Program	460	333	793	-
CASA	4	2	4	2
County Economic Development Income Tax (CEDIT)	-	1,715,811	792,790	923,021
SRI - Tax Sale Costs	250	11,400	11,320	330
County Sheriff Law Enforcement Continuing Education	503	858	555	806
Fiduciary Funds:				
County Treasurer	576,223	35,849,986	35,774,458	651,751
Clerk of the Circuit Court	398,107	3,794,021	3,845,278	346,850
County Recorder	9,765	154,874	146,705	17,934
County Sheriff	-	633,542	633,542	-
Inmate Trust	3,264	53,546	52,109	4,701
County Planning and Zoning	50	50	-	100
Tax Sale Redemption	2	36,039	18,045	17,996
Tax Sale Surplus	4,370	227,489	989	230,870
State Fines and Forfeitures	1,781	18,712	17,214	3,279
Inheritance Tax	52,680	1,135,542	973,733	214,489
Surplus Tax	105,161	27,808	98,856	34,113
Congressional Interest	23,832	-	-	23,832
Infraction Judgment	6,189	32,551	35,545	3,195
Welfare Trust	40,890	13,250	18,706	35,434
Surplus Dog	138	644	531	251
Education License Plate Fee	188	14,458	13,819	827
Tourism Board - Innkeepers' Tax	-	206,750	206,750	-
Coroner's Continuing Education	377	1,963	2,209	131
State Sales Disclosure Fee	4,462	4,840	6,687	2,615
City and Town Court Costs	17,912	8,979	22,478	4,413
County Ordinance Fines	1,590	28	-	1,618
Interstate Compact Fees	562	300	862	-
Recorder's Mortgage Fee	-	5,085	4,205	880
User Fees - Law Enforcement Continuing Education	28,527	5,688	4,718	29,497
Tax Distributions	281,913	36,241,942	36,367,053	156,802
County Payroll Clearing	6,375	2,375,017	2,315,404	65,988
County Insurance	(1,688)	-	-	(1,688)
Overweight Vehicle Fines	-	880	880	-
County Police Pension	2,131,107	200,465	134,735	2,196,837
Congressional Principal	33,053	-	-	33,053
Totals	<u>\$ 15,369,961</u>	<u>\$ 103,781,773</u>	<u>\$ 102,661,398</u>	<u>\$ 16,490,336</u>

The accompanying notes are an integral part of the schedules.

JEFFERSON COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, highways and streets, health and welfare, culture and recreation, public improvements, planning and zoning and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

JEFFERSON COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. County Police Retirement Plan

Plan Description

The primary government contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the primary government's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

JEFFERSON COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The primary government contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the primary government's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Long-Term Debt

The County has entered into various debts such as capital leases for renovation and improvements to jail facility and for highway equipment. The outstanding principal at December 31, 2005, was \$6,343,669.

Note 8. Subsequent Event – Industrial Park

On October 3, 2006, the Board of County Commissioners entered into an Interlocal Agreement with the City of Lawrenceburg (City). The agreement stated that the City authorized a \$500,000 grant to Jefferson County for the purpose of purchasing 80 acres of land for an industrial park. The grant funds were received on November 27, 2006. As of February 6, 2007, the Industrial Park land has not been purchased by the County.

JEFFERSON COUNTY
OTHER REPORTS

The examination report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

County Auditor
Board of County Commissioners
County Sheriff
Clerk of the Circuit Court

JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2007, with Julie Berry, President of the Board of County Commissioners; David J. Craig, President of the County Council; and Sandra J. Shelton, Auditor. Our examination disclosed no material items that warrant comment at this time.